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Top Secret

February 24, 1975

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February 24, 1975

CONTENTS

SPAIN: Military may disagree over its role in maintain- ing order. (Page 1)
ETHIOPIA: Fighting in Eritrea Province was light over the weekend. (Page 2)
WESTERN EUROPE - CSCE: Allies concerned about CSCE finale on Soviet terms. (Page 6)
UNITED KINGDOM - EC: British cabinet still faces difficult decisions on the EC referendum. (Page 7)
CANADA: Trudeau leaves Thursday for second round of talks with West European leaders. (Page 9)
SOUTH VIETNAM: Government commanders conduct preemptive operations. (Page 11)

February 24, 1975

SPAIN

The arrest of two army officers in Barcelona last week may indicate there is disagreement in the military over the role it should play in maintaining order.

Various accounts are circulating about what prompted the arrest of Captain Julve and Major Busquets, who has a reputation as a critic of the regime. The most plausible version is that Busquets and others, while attending a planning session for the 25th anniversary reunion of their military academy class, exerted pressure on the captain general of the Barcelona military district to refrain from using the army to maintain public order. They reportedly coupled this with a call for an organized protest against the general's disciplining of a fellow officer who disobeyed a direct order to divulge the names of subway strikers in Barcelona.

High-ranking Spanish military officers have insisted to US embassy officials that the affair is an isolated incident, not evidence of a dissident movement. Even these sources admit, however, that the army's delay in announcing the arrests and its refusal to give more than the barest details of the event will heighten speculation that a subversive plot is involved. A ranking officer has conceded that the affair was mishandled and that a simple reprimand of Busquets would have sufficed. The fact that the government felt it necessary to arrest the officers makes clear its determination to head off any dissidence in the military.

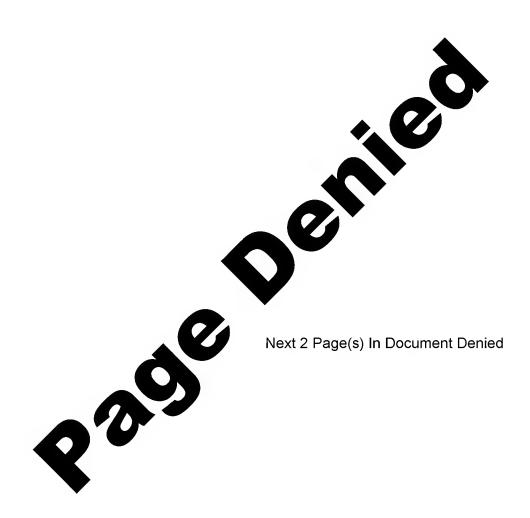
National Intelligence Bulletin February 24, 1975

ETHIOPIA

Fighting in Eritrea Province between government forces and insurgents was light over the weekend, following heavy fighting on Friday. Air force planes yesterday bombed suspected rebel positions on the outskirts of Asmara.

25X1

In Beirut, Osman Saleh Sabbe, the leader of one of the two main factions of the rebel movement, rejected the reported plans of a group of Eritrean notables to try to arrange negotiations between the rebels and the council. The council itself may not have yet approved the efforts of the notables, who live in Addis Ababa and may therefore be out of touch with Eritrean nationalist sentiment.



National Intelligence Bulletin February 24, 1975

WESTERN EUROPE - CSCE

A British official who accompanied Prime Minister Wilson to Moscow has told the NATO Council that the Soviets are showing no signs of abandoning their uncompromising approach toward the European security confer-Subsequent discussion among allied representatives revealed growing concern about the effect on West European public opinion if CSCE is ended on Soviet terms.

The British official is convinced the Soviets intend to trade on impatience in the West about the security conference in order to bring it to a speedy conclusion. He thinks the Soviets feel they can now concentrate on timing because they are sure the conference will end at the summit level. The official said the Soviets gave no indication that they might be willing to make concessions in order to conclude the conference. Instead, the Soviets took a hard line on all outstanding issues.

Commenting on the view that the Soviets regard the security conference as the end of a chapter consolidating their hold over Eastern Europe, a Belgian official referred to the problems West European leaders will face upon the conclusion of the security conference. He maintained that as long as CSCE continues, the West enjoys a certain psychological advantage since the public can still hope for a change in the status quo in Europe. Once the allied heads of state "all stand up and proclaim the great achievement and high significance of conference results," including the recognition of the status quo in Europe, however, the allies will have to "do a lot to recover lost ground."

The Belgians are not alone in feeling that the Soviets will reap great propaganda advantage from a summit concluding the security conference and that conference results seeming to meet Soviet desires will be difficult to explain to the West European public. Nevertheless, the West Europeans increasingly feel the need to end the conference and will have difficulty maintaining a strong stand against the Soviets. there have recently been some signs of greater flexibility on the part of Soviets in Geneva, they continue to show little inclination to compromise on basic issues.

February 24, 1975

UNITED KINGDOM - EC

The British government plans to issue a white paper by the end of this month on how the EC referendum will be conducted. Another paper will be issued in late March outlining the results of the renegotiation of membership terms. Legislation setting out the framework of the referendum should be introduced into Parliament by the end of March, following several weeks of parliamentary and public debate.

The main questions the cabinet is still considering on the referendum are:

- -- the wording of the question to be posed to the voters;
- -- the advisability of setting up an information program sponsored by the government;
- -- the possibility of establishing rules for the pre-referendum campaign;
- -- the method of tallying the referendum's results.

An official close to the cabinet claims there is a consensus that the question should be as simple as possible. Those opposed to EC membership would prefer that the question contain no reference to the renegotiations with the EC, while those in favor of membership want the question to indicate that the government believes the terms have been successfully renegotiated. The antimarketeers are opposed to a government information program, while the pro-marketeers want one.

One of the most difficult problems facing the government concerns the method of tallying the votes. The majority prefers a national tally, but the government may be forced to agree to a regional breakdown in order to

February 24, 1975

secure the support of the members of Parliament from Scotland, Wales, and Northern Ireland for the referendum legislation. Voters in these areas generally are against EC membership, and their legislators do not want regional preferences submerged in a general tally.

The cabinet is also wrestling with the extent to which the referendum will be binding on Parliament. Prime Minister Wilson has already said the results will be binding on the government and has commented that Parliament will feel obliged to go along with the wishes of the people. Because a majority of the members of Parliament favor continued membership, that body would face a dilemma if the voter turnout were small and the result a narrow margin of victory for opponents of continued membership.

The British, meanwhile, are hopeful that the renegotiations will be completed in time for the EC summit in Dublin early next month. Several points on the EC regional development fund—a sensitive issue for the Labor Party—have yet to be resolved, and the formula for determining a member's contribution to the EC budget has not yet been entirely agreed upon. Recent EC decisions affecting agriculture, which the government recently declared to be satisfactory, have been criticized by the influential British National Farmers' Union.

February 24, 1975

CANADA

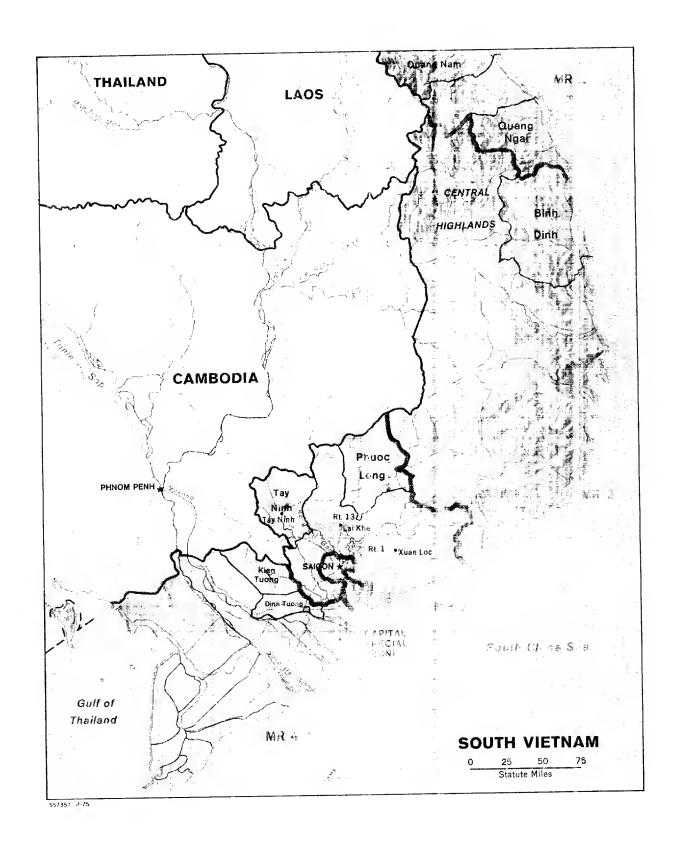
Prime Minister Trudeau departs on Thursday for the second round of talks with West European leaders in a continuation of his effort to lessen Canadian dependence on the US.

The trip will include stops in The Hague, Bonn, Rome, London, and Dublin. Trudeau visited Paris and Brussels last December, but held off visiting other West European capitals until he first normalized relations with the French. Ties between Ottawa and Paris had been cool since 1967, when former president De Gaulle advocated independence for Quebec.

The Prime Minister views the coming discussions as a general review of problems facing the Western nations, and he does not intend to seek specific agreements. He will, however, continue to push for formal institutional ties between Canada and the EC, although the Nine are reluctant to begin negotiations at this time.

Ottawa is still embarrassed by the Indian nuclear test last spring, which utilized material from a Canadian-supplied reactor, and Trudeau will be particularly interested in advocating stronger nuclear safeguards. He is likely to urge strongly that the EURATOM states which signed the Non-Proliferation Treaty complete ratification without delay. The Italians--most notable holdouts on ratification-will be especially pressed by Trudeau to accept treaty provisions without qualification.

For their part, the European leaders will be concerned over the effect of the current Canadian defense review on Ottawa's NATO ties. Trudeau's alliance partners undoubtedly will urge Ottawa to maintain its current military commitment in Europe. While the British and Dutch arguments will be weakened by their own decisions to reduce defense spending, they can point out that only Iceland and Luxembourg spend less per capita than Canada on their NATO commitments.



National Intelligence Bulletin February 24, 1975

SOUTH VIETNAM

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South Vietnamese government commanders, aware of reported Communist plans for widespread attacks, have been conducting preemptive operations in many parts of the country.

In Western Military Region 3, upwards of two Communist divisions have been reported moving toward Tay Ninh Province.

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Government forces have also initiated countersapper operations in the Saigon environs and ground operations along Route 13, near Lai Khe, and along Route 1, east of Xuan Loc.

In the central highlands, sporadic fighting continues in northern Binh Dinh Province. Elsewhere in the region, ground action has been light.

Activity in the northern provinces has remained at a moderate level for the past few days. Most of the action is presently centered in Quang Nam and Quang Ngai provinces, where South Vietnamese regular territorial forces are carrying out a series of operations designed to foil Communist offensive plans and to expand government-controlled areas in southern Military Region 1.

In the delta, scattered harassing attacks continued this past week. Units of two Communist divisions are still operating in Kien Tuong and Dinh Tuong provinces, but aggressive government action has thus far prevented them from launching major attacks against population centers and key military positions.

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